

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
BEECH GROVE WATER SYSTEM, INC.)	CASE NO. 93-416

O R D E R

On October 29, 1993, Beech Grove Water System, Inc. ("Beech Grove") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Beech Grove purchases water from West Daviess County Water District ("West Daviess").

2. West Daviess increased its rate for water sold from \$1.31 per 1,000 gallons to \$2.10 per 1,000 gallons effective August 1, 1993. Beech Grove proposes to increase the water rates to its customers effective November 1, 1993.

3. During the 12 months ending October 3, 1993, Beech Grove purchased 2,571,380 gallons of water and sold 2,300,803 gallons. The increase in the cost of purchased water is \$2,031, resulting in a purchased water adjustment of 88 cents per 1,000 gallons of water as shown in Appendix B. Based on an average monthly usage of 5,000 gallons, the average bill of Beech Grove's customers would increase \$4.40 from \$12.40 to \$16.80, or 35.4 percent.

4. Beech Grove has miscalculated the purchased water adjustment factor; therefore, the purchased water adjustment factor and the rates proposed by Beech Grove should be denied.

5. The purchased water adjustment of 88 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Beech Grove are hereby denied.

2. The purchased water adjustment of 88 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after November 1, 1993.

3. Within 30 days of the date of this Order, Beech Grove shall file revised tariff sheets setting out the rates approved herein.

4. Within 20 days of the date of this Order, Beech Grove shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 16th day of December, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-416 DATED DECEMBER 16, 1993

The following rates and charges are prescribed for the customers in the area served by Beech Grove Water System, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Usage Blocks

First 2,000
Next 4,000
Next 4,000
Next 30,000
Next 60,000
Next 100,000

Monthly Rate

\$8.58 Minimum Bill
2.74 Per 1,000 Gallons
2.29 Per 1,000 Gallons
2.04 Per 1,000 Gallons
1.94 Per 1,000 Gallons
1.84 Per 1,000 Gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 93-416 DATED DECEMBER 16, 1993

Purchased Water Adjustment Calculations

Water Purchased: 2,571,380

Water Sold: 2,300,803

Cost of Charged Rate: $\$2,571.38 \times \$2.10 = \$5,399.90$

Cost of Base Rate: $\$2,571.38 \times \$1.31 = \$3,368.51$

Increase in Cost: \$2,031

$\$2,031 + 2,300,803 \text{ gallons sold} = \$.88/1,000 \text{ Gallons}$